

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 430 - HB 1574

February 23, 2009

SUMMARY OF BILL: Deletes the current definition of “AMA Guides” as such definition applies to workers’ compensation. Current law states that such guide is the 6th Edition of the *American Medical Association Guides to the Evaluation of Permanent Impairment*. This bill replaces that definition and states that “AMA Guides” means the 5th Edition of the *American Medical Association Guides to the Evaluation of Permanent Impairment*.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000

Increase Local Expenditures – Exceeds \$100,000*

Assumptions:

- The 5th Edition of the American Medical Association Guides to the Evaluation of Permanent Impairment is more generous to claimants than the 6th Edition. As a result, there is estimated to be an increase in state and local government expenditures exceeding \$100,000 due to increased payouts to claimants from using the 5th Edition.
- The total amount of permanent disability payouts by the state based upon workers’ compensation claims in Tennessee in 2008 was approximately \$6,700,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/cce